



Lebanon

Renewed war between Israel and the Iran-backed Shia Islamist group Lebanese Hezbollah (a U.S.-designated foreign terrorist organization, or FTO) in 2026 has significantly impacted Lebanon's society and its U.S.-supported government. While Hezbollah has suffered major losses in armed clashes with Israel since 2023, it evidently retains some military capabilities and has refused to disarm as demanded by the Lebanese government, as well as by the United States. That refusal, as well as renewed U.S.-Iran conflict, raise the prospect of further civil strife and foreign intervention in Lebanon, where complex religious demographics have long fueled domestic political contention and sometimes made the country an arena for regional competition.

For two decades, the United States has sought to bolster the Lebanese Armed Forces (LAF) with the aim of creating a national force strong enough to counter nonstate actors like Hezbollah and to secure the country's borders. The United States has sanctioned Hezbollah and its supporters, as well as other Lebanese actors (including several former Lebanese officials) engaged in activities deemed inimical to U.S. interests such as corruption and drug trafficking. The United States has, in the past, also provided development and humanitarian assistance; since 2019, Lebanon has undergone the worst economic crisis in its history, with a severe contraction in gross domestic product (GDP) and subsequent rise in poverty rates.

Government and Politics

Lebanon's diverse population of 5.3 million people includes Christian, Sunni Muslim, and Shia Muslim communities of roughly comparable size. Political posts are divided among the country's various religious groups, or "confessions," to reflect each group's share of the population—although no formal census has been conducted in the country since 1932. The presidency is reserved for a Maronite Christian, the prime minister post for a Sunni Muslim, and the parliament speakership for a Shia Muslim. Since its independence from France in 1943, Lebanon has often been wracked by upheaval, including a devastating, multi-sided, and confession-oriented civil war from 1975 to 1990 and military interventions by neighboring Syria and Israel. The United States deployed troops at the request of different Lebanese governments in 1958 and 1982-1984, in efforts to bring greater stability to the country.

For years after 2019, when Lebanon's current economic crisis began, Lebanese politics were largely gridlocked. May 2022 parliamentary elections did not result in a clear majority for any political faction, contributing to paralysis on government formation. The president's term ended in October 2022, leaving the government in a caretaker capacity and the presidency vacant until January 2025.

2025 Government Formation

After over two years of deadlock, Lebanon's parliament elected LAF chief Joseph Aoun as president in January

2025. During his leadership of the LAF from 2017 until his election as president, Aoun generally garnered commendations from U.S. officials. Aoun is the fourth consecutive Lebanese president to have previously served as head of the LAF.

President Aoun appointed Nawaf Salam to serve as prime minister. Prime Minister Salam formed a cabinet in February 2025, the first supported by an electoral mandate since 2022. Several ministers are reportedly associated with Hezbollah and an allied Shia party (including the finance minister), though Hezbollah and its supporters no longer have sufficient representation in the cabinet to block government decisions.

Economic Crisis

Lebanon was once a relative economic success story, boasting a higher per capita GDP than any other non-oil exporting Arab state in the Middle East as recently as 2019. That year, long periods of high government borrowing, slowing remittances from abroad, and a decline in foreign financial support culminated in a financial collapse as banks shuttered, the currency lost most of its value, and Lebanon defaulted on its foreign debt. Compounded by the COVID-19 pandemic, nominal gross domestic product (GDP) shrank from nearly \$55 billion in 2018 to less than \$20 billion in 2021, with a slight recovery in subsequent years. The government responded by reducing or eliminating subsidies on essential goods; a lack of foreign exchange to finance imports triggered shortages of medicine, water, and fuel.

The World Bank estimates that GDP contracted by 7.1% in 2024, with Lebanon suffering \$7.2 billion in economic losses and \$6.8 billion in physical damage from Hezbollah-Israel conflict, but "recorded modest growth" of 3.5% in 2025; the International Monetary Fund (IMF) predicts some contraction in 2026. Lebanon's new government has taken some steps to implement its economic reform agenda, including legislation to restructure the country's banking sector, steps welcomed by the U.S. government and by the IMF, which reached an agreement with the Lebanese government in 2022 that has not been implemented to date.

Hezbollah

Overview. Since its establishment in the 1980s, Hezbollah has been one of the most powerful actors in Lebanon, operating as a militia force, a political party, and a social services provider. It also has remained a terrorist organization with transnational reach. Hezbollah has participated in Lebanese elections since 1992; it currently holds 13 of 128 seats in parliament. The group first entered the cabinet in 2005 and has held posts in each subsequent Lebanese government.

According to the Department of State, Iran has provided Hezbollah with "most of its funding, training, weapons, and explosives, as well as political, diplomatic, monetary, and

organization aid.” Hezbollah, which has long appeared to be the strongest of the armed groups among Tehran’s “axis of resistance,” has repeatedly threatened and engaged in combat with Israel, including a 34-day war in 2006.

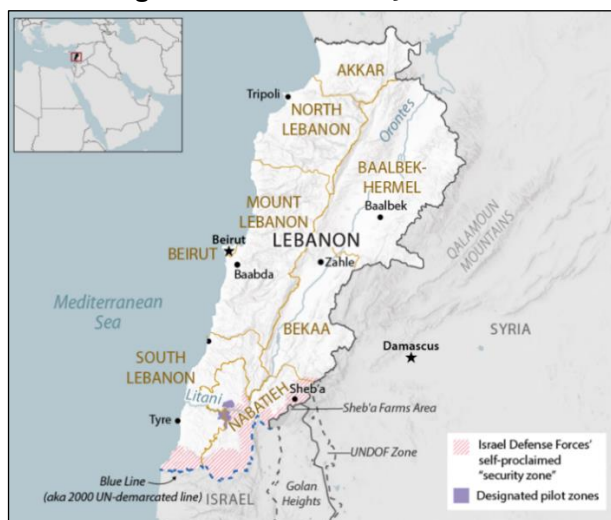
Post-October 2023 Israel-Hezbollah Conflict

October 2023–November 2024. Hezbollah began firing into northern Israel the day after the Hamas-led October 7, 2023, attack on Israel, prompting over a year of near-continuous fighting that led to major Israeli military operations in Lebanon during late 2024 that killed most of Hezbollah’s leadership, including longtime Hezbollah head Hassan Nasrallah. In November 2024, the United States and France brokered a ceasefire.

November 2024–March 2026. After the ceasefire, Israel maintained some positions across the Lebanese border and conducted airstrikes in Lebanon as Israel, Hezbollah, and Lebanon disputed the terms of the ceasefire and the parties’ compliance with it. During this time, Hezbollah generally refrained from breaching Israel’s border.

March 2026–present. Hezbollah restarted firing into Israel after U.S.-Israeli military operations against Iran began on February 28. In response, the Lebanese government formally banned Hezbollah’s military activities, an unprecedented but largely symbolic step. Israeli ground operations in Lebanon expanded significantly, with Israel’s military establishing a buffer zone in southern Lebanon of around 5% of the country’s territory (see **Figure 1**), while displacing over a million people in Lebanon and killing over 4,300. As questions persist over the potential return of displaced persons in southern Lebanon and northern Israel to their homes, Israel also faces challenges in countering new threats from Hezbollah fiber-optic drones to its military and Israeli populations across the border.

Figure 1. Lebanon as of June 2026



Lebanon-Israel Negotiations. Since December 2025, Lebanese and Israeli government representatives have been participating in U.S.-mediated negotiations, culminating in a June 2026 U.S.-Israel-Lebanon “trilateral framework” in which Israel committed to “progressively redeploy out of” Lebanon “pending the verified disarmament of non-state armed groups” starting in designated pilot zones. It is unclear how, if at all, the Lebanese government or other actors might compel Hezbollah to disarm: military action

could risk civil conflict in Lebanon; political or economic incentives could be controversial given Hezbollah’s status as an FTO. Hezbollah’s leader has rejected the “trilateral framework” as a “surrender of [Lebanon’s] sovereignty,” and has vowed to resist Israel.

U.S. Policy: Assistance and Sanctions

Assistance. Most U.S. bilateral assistance to Lebanon has been in Foreign Military Financing (FMF) to support the LAF, to which the United States has provided \$3 billion since 2006. For years, U.S. support for the LAF has generated debate in Congress between those who back aid for the LAF as an alternative or counterweight to Hezbollah, and those who have argued that U.S. assistance to the LAF is either insufficiently effective or risks falling into the hands of U.S. adversaries. Congress has annually placed certification requirements on U.S. aid to Lebanon to prevent its misuse. The suspension in 2025 of most U.S. foreign assistance globally and the termination of some programs reportedly affected some U.S.-funded activities in Lebanon. The United States has provided over \$3.5 billion humanitarian aid since FY2019.

Sanctions. Though Lebanon is not subject to any state- or government-level sanctions, the United States has designated for sanctions over 300 individuals and entities in Lebanon. The majority are designated for ties to Hezbollah. The United States has on occasion designated Lebanese politicians and officials, for corruption or human rights violations, and some Members of Congress have called on successive administrations to expand sanctions to target additional Lebanese officials they view as obstructing reform and/or Lebanon’s electoral processes.

Outlook. In a July 2026 interview, President Donald Trump hailed Israel-Lebanon talks while saying “it would be good” for Israeli forces to “get out” of “parts of Lebanon.”

Significant obstacles remain, including disputes involving Israel, Hezbollah, and the Lebanese government about the nature and sequencing of the potential withdrawal of Israel from Lebanese territory, the possible dismantlement of Hezbollah infrastructure and arms, and prospective LAF movements into previous Hezbollah strongholds. Continued Israeli military operations in Lebanon might constrain Hezbollah but could also fuel domestic political support for the group and its calls to resist or oppose Israel. President Aoun said in July 2026 that the Israeli military presence in southern Lebanon “undermines the legitimacy of the state and prevents the deployment of the army.”

Lebanon’s outlook is likely also tied at least in part to U.S.-Iran relations: U.S./Israel-Iran conflict since 2023 has both been triggered by events in Lebanon and has triggered further conflict in Lebanon. Lebanon’s government has forcefully rejected what President Aoun characterized as Iran’s strategy of using Lebanon as a “bargaining chip.” Iran has sought to include Lebanon in diplomatic arrangements with the United States, including in the June 2026 U.S.-Iran Memorandum of Understanding (MoU); U.S.-Iran conflict resumed in July 2026.

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